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Jeffrey W. Crockett Attorney at Law 602.382.4062 tel 480.428.6076 fax jcrockett@bhfs.com

HAND-DELIVERED

Dwight D. Nodes
Assistant Chief Administrative Law Judge
Hearing Division
ARIZONA CORPORATION COMMISSION
1200 West Washington Street
Phoenix, Arizona 85007

Arizona Corporation Commission DOCKETED

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Re:

In the Matter of the Application of Far West Water and Sewer, Inc., for a Determination of the Current Fair Value of its Utility Plant and Property and for Increases in its Wastewater Rates and Charges Based thereon for Utility Service (Docket No. WS-03478A-12-0307)

Dear Judge Nodes:

I have been retained to represent New Sun Homes, LLC, in connection with the collection of unpaid refunds due under water main extension agreements and sewer collection main extension agreements between New Sun Homes and Far West Water & Sewer, Inc., ("Far West") for the <u>Scottsdale East Estates</u> and <u>Yuma East Estates</u> subdivisions located near Yuma, Arizona. New Sun Homes is an Arizona limited liability company with its principal place of business at 4530 E. Shea Boulevard, Suite 105, Phoenix, Arizona 85028, as shown on the attached screen shot from the Arizona Corporation Commission's website. New Sun Homes has been at its current address for the past 8-10 years. Bob Nuttall is the manager and a member of New Sun Homes.

In rejoinder testimony filed by Far West in the above-captioned rate case docket, the company has stated that "New Sun is owed \$20,000, but, to date, Far West has been unable to locate a contact for New Sun, but is checking to see if they have a Phoenix office." However, Mr. Nuttall has informed me that he has not received any contact from Far West regarding the unpaid refunds. Mr. Nuttall has had numerous conversations over the years with Andy Capestro (including at least four meetings in Mr. Capestro's office) and he is very surprised that Far West would state that it is unable to contact New Sun Homes or Mr. Nuttall. New Sun Homes has had the same business address and telephone number for the past 8-10 years, and Mr. Nuttall has had the same cell phone number for the past 15 years. Mr. Capestro has both of these telephone numbers and Mr. Nuttall has communicated with Mr. Capestro on both the office phone and his cell phone.

It is disturbing that Far West has not attempted to contact Mr. Nuttall and New Sun Homes regarding the unpaid refunds. It is perhaps more disturbing that Far West would represent to the Commission that the utility does not know how to get in contact with New Sun Homes when Mr. Nuttall knows that this is simply not true.

¹ Rejoinder Testimony (April 16, 2013) at p. 19, lines 9-10.

Dwight D. Nodes Assistant Chief Administrative Law Judge April 25, 2013 Page 2

New Sun Homes is aware that the Utilities Division Staff has made a recommendation in this docket that "the rates approved in this proceeding not be implemented until the Company is current on all of its MXAs." New Sun Homes fully supports Staff's recommendation and urges the Commission to adopt that recommendation. Given what appears to be Far West's decision not to contact New Sun Homes regarding the unpaid refunds, Mr. Nuttall is concerned that Far West will not pay the past due amounts unless it is a required precondition to new rates going into effect.

New Sun Homes has never received any refund payments under the Scottsdale East Estates or Yuma East Estates main extension agreements. Further, New Sun Homes has not had an opportunity review the calculations of Far West regarding the amounts that are due under the various agreements, as set forth in the Company's rejoinder testimony. Thus, New Sun Homes requests that Far West be directed to provide a year-by-year accounting of the refunds that should have been made under the various main extension agreements. The Commission may want to impose this same requirement on Far West with regard to any other main extension agreements that have unpaid refunds outstanding. New Sun Homes also believes that it would be appropriate under the circumstances to require Far West to pay interest at the statutory rate on the unpaid balances from the date that refund payments were due as a condition of implementing any rate increase approved in the rate case docket. The case for requiring the payment of interest is even more compelling if the Commission finds that Far West paid refunds of advances to any of its own affiliates while at the same time withholding refund payments from unaffiliated developers.³

An original and 13 copies of this letter have been filed with docket control today, and copies of this letter have been hand-delivered or mailed to each of the parties on the service list for this docket.

Very truly yours.

Jeffrey W. Crockett

JWC/jp

Enclosure

cc: Parties on the Rate Case Service List for Docket No. WS-03478A-12-0307.

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² Direct Testimony of Gerald Becker (February 13, 2013) at p. 26, lines 16-17.

The comments and recommendations of New Sun Homes set forth in this letter are submitted in this docket as public comment.

04/25/2013

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Corporate Inquiry		
File Number: L-1148990-0 LATEST DATE TO DISSOLVE 08/30/2051	Check Corporate Status	
Corp. Name: NEW SUN HOMES, LLC		

Domestic Address

4530 E SHEA BLVD #105	
PHOENIX, AZ 85028	

Statutory Agent Information

Agent Name: ROBERT NUTTALL	
Agent Mailing/Physical Address:	
4530 E SHEA BLVD #105	
PHOENIX, AZ 85028	
Agent Status: APPOINTED 08/18/2004	
Agent Last Updated: 04/06/2006	

Additional Corporate Information

Corporation Type: DOMESTIC L.L.C.	Business Type:
Incorporation Date: 08/18/2004	Corporate Life Period:
Domicile: ARIZONA	County: MARICOPA
Approval Date: 08/18/2004	Original Publish Date: 08/24/2005
Status: LATEST DATE TO DISSOLVE	Dissolution/Withdrawal Date: 08/30/2051

Manager/Member Information

ROBERT NUTTALL	ROBERT NUTTALL
MANAGER	MEMBER
4530 E SHEA BLVD #105	4530 E SHEA BLVD #105
PHOENIX,AZ 85028	PHOENIX, AZ 85028
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Date of Taking Office: 08/18/2004
Last Updated: 04/06/2006

NEW SUN FINANCIAL CORP
MEMBER
4530 E SHEA BLVD #105
PHOENIX, AZ 85028
Date of Taking Office: 08/18/2004
Last Updated: 04/06/2006

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01326625	PUB FILM ONLY	09/02/2005
[01450780)	MULTIPLE CHANGES	02/08/2006

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31921002169	09/02/2005	PUB FILM ONLY
31967003838	02/08/2006	MULTIPLE CHANGES
11829007003	03/10/2009	LEGAL DOCUMENT
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11865003011	04/05/2010	LEGAL DOCUMENT

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